

Message Text

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ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 ICA-20 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01
L-03 H-02 PA-02 AGRE-00 /122 W
-----057710 100807Z /15

P 100752Z MAY 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC PRIORITY 7769
TREASURY/DEP WASHDC PRIORITY
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME

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USEEC

USOECN ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: EFIN, JA
SUBJECT: FINANCIAL AND ECONOMIC DEVELOPMENTS - MAY 3-10

1. SUMMARY: JAPAN ENJOYS A SOGGY GOLDEN WEEK WHILE
ECONOMIC NEWS DRIES UP. MONEY SUPPLY GROWTH PICKS UP IN
MARCH. NEW CAR SALES SLACKEN. MARKET INTEREST RATES
DRIFT LOWER. END SUMMARY.

2. GROWTH IN MONEY SUPPLY, S.A., QUICKENED IN MARCH AND
IN THE JAN-MARCH QUARTER AS A WHOLE. GROWTH IN NARROWLY
DEFINED MONEY SUPPLY, M-1, SPURTED TO 1.7 PCT IN MARCH
FROM THE 0.3 PCT RATE OF ADVANCE IN FEB. BROADLY DEFINED
MONEY SUPPLY, M-2 AND M-3, ALSO REGISTERED LARGER IN-
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CREASES THAN IN FEB. DURING THE JAN-MARCH QUARTER,
M-2 GREW AT AN ANNUAL RATE OF ABOUT 10 PCT, AFTER RECORD-
ING AN UNUSUALLY SLOW ADVANCE IN THE FOURTH QUARTER LAST
YEAR.

MONEY AND CREDIT, END OF MONTH, S.A.:
- M-1 M-2 M-3 BANK LOANS

- (JEI 123) (JEI 126 (N/A) AND DIS-
- 133)

RECENT MONTHS (IN BIL YEN; PCT CHANGE FROM PRIOR MONTH IN PAREN):

JAN 56,902 154,504 235,092 107,376
- (-0.3) (0.6) (0.8) (0.5)

FEB 57,070 155,894 237,232 108,205
- (0.3) (0.9) (0.9) (0.8)

MARCH 58,060 157,458 240,266 N/A
- (1.7) (1.0) (1.3)

RECENT QUARTERS (PCT CHANGE FROM PRIOR QUARTER BASED ON MONTHLY AVERAGE, S.A.):

1977:APR-JUNE -0.5 2.4 3.3 2.3

JUL-SEP 3.9 3.2 3.5 2.3

OCT-DEC 1.7 2.2 2.7 2.1

1978:JAN-MAR 2.2 2.5 3.0 N/A

NOTE: MARCH DATA ON BANK LOANS AND DISCOUNTS AS WELL AS FACTORS CONTRIBUTING TO CHANGES IN M-2, N.S.A., ARE NOT YET AVAILABLE.

3. NEW CAR REGISTRATIONS, S.A., FELL IN APRIL AFTER RAPID UNCLASSIFIED

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ADVANCES IN PRECEDING TWO MONTHS. APRIL 78 NEW CAR SALES DECLINED 9 PCT FROM THE PRIOR MONTH'S LEVEL (S.A.) THOUGH THEY REMAINED MORE THAN 10 PCT ABOVE THE YEAR-EARLIER LEVEL.

NEW CAR REGISTRATIONS, S.A.:

- THOUSAND CARS PCT CHANGE FROM PRIOR MONTH

FEB 220.1 10.6
MAR 268.2 21.8
APR 243.9 - 9.0

4. CALL MONEY RATES (UNCONDITIONAL) WERE LOWERED BY 0.125 PERCENTAGE POINTS, EFFECTIVE APRIL 5, AND REMAINED AT 4.125 PCT PER ANNUM THROUGHOUT THE REST OF MONTH. AVERAGE CALL MONEY RATE (JEI 178) DECLINED TO 4.141 PCT PER ANNUM IN APRIL FROM 4.62 PCT IN MARCH. BILL DISCOUNT RATE HAS REMAINED AT 4.5 PCT PER ANNUM SINCE MARCH 16.

5. SECONDARY MARKET BOND YIELDS ALSO DECLINED SLIGHTLY IN APRIL.

SECONDARY MARKET BOND YIELDS, END OF MONTH (ANNUAL RATE,
IN PCT)

- GOVT BONDS TEL AND TEL BONDS INDUSTRIAL
- BONDS

FEB	6.206	6.593	7.151
MAR	6.038	6.643	7.088
APR	5.976	6.606	7.082

MANSFIELD

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NNN

Message Attributes

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Copy: SINGLE
Draft Date: 10 may 1978
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Decaption Note:
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Disposition Case Number: n/a
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